

EMPLOYEE PERFORMANCE APPRAISAL SYSTEMS:  
EFFECTS ON COMMUNICATION WITHIN ORGANIZATIONS

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### **Abstract**

In this study, 318 supervisors and staff members of a medium sized northwestern university responded to a questionnaire concerning their performance appraisal system and the effects it has on communication with their organization. Several key findings resulted. First, when staff members perceived their supervisors were providing valid, timely appraisals they felt there was more teamwork, information flow, and involvement in the organization than those employees that did not feel their appraisals were valid. Second, as supervisors believed performance appraisals were linked to important outcomes, staff members' perceptions of appraisals rose. Finally, contrary to the literature, supervisors reported that when they conducted appraisals in a compliant manner performance appraisal discomfort decreased. This can be attributed to the lack of important outcomes being linked to the appraisals. In this university, 39% of the staff members reported they had not received their appraisals as required.

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## **Introduction**

Shortly after I began working at the University of Alaska Fairbanks I asked my supervisor what kind of performance appraisal I could expect and how often I would receive one. With a caring laugh, she explained that I would not receive an appraisal as she did not like to do them, and besides it had been years since she had received an appraisal herself. I spoke with other long-term employees from other neighboring departments and most people stated the same information, that it had been years since their last performance appraisal. On the same note, the supervisors and employees I spoke to in regards to appraisals understood the requirement for annual reports, yet were comfortable with the lack of an appraisal. I began to question how employees were able to be fully productive and know what was expected of them if their supervisors did not perform appraisals which express the job requirements, the tasks to be performed, and the standards to which the tasks are to be performed. With years of background experience in the human resource field, I have worked diligently to ensure that both employees and supervisors would benefit from the appraisal process by having it communicated in a fair, responsible manner.

I believe a performance appraisal system is an essential element in human resource management, an ongoing communication system that links employee behaviors and outputs to organizational goals, mission, and vision. What organizational effects could there possibly be that would preclude the use of annual performance appraisals? This simple question was the catalyst for this study.

When organizational members are provided the opportunity within the framework of performance appraisal systems to collectively communicate what is expected of them positive outcomes will occur. However, performance appraisals have not always been "collective communication." In the past performance appraisals were strictly an evaluation of an employee's past performance. Employees were told by their supervisors what they had or had not accomplished, squarely placing blame or credit with the employee. Employees were responsible to correct their deficiencies before the next evaluation. Pay raises, bonuses, promotions, and other positive reinforcement were generally linked to the appraisals. Over time, appraisal systems have evolved into forward-looking, developmentally focused "conversations" between supervisors and employees.

The present research will add to our understanding of the influence performance appraisal systems have on communication within organizations; specifically, by investigating the relationship between the enacted use of the appraisal system and communication based measures of teamwork, information flow, and employee involvement. Supervisors may not comply with the requirements of the appraisal system due to performance appraisal discomfort and/or a general belief that appraisals are not important. This study will also investigate the relationship between this discomfort and supervisors' beliefs about the performance appraisal process.

## **Chapter 1**

### **Review of the Literature**

Performance appraisal systems have become one of the most important human resource tools in organizations. This review is designed to provide an understanding of the development of performance appraisal systems research and to suggest weaknesses in the current literature. First, a brief overview of performance appraisals is provided. Next, various approaches to performance appraisals research is laid out, including, critical views of appraisals, collaborative, and cognitive processes. Finally, based on this review a critique of the current research will be provided and followed by five research questions.

Over two hundred years ago performance appraisal systems apparently got their start in a Scottish cotton mill. Wooden cubes indicating different levels of performance were hung above worker stations as visible signals of who was performing their jobs well (Milkovich & Newman, 2002). Moving from this simple system there are now hundreds of performance appraisal systems in use. By the 1980s performance appraisal systems were an intricate element in human resource management.

#### ***Performance Appraisals as Critical Human Resource Tool***

Pardue (1999) evaluates performance appraisal systems as being “one of the most critical human resource issues of the 21<sup>st</sup> century” (para. 1). He further explains that “How am I doing?” can be one of the critical questions employees may have. Providing factual, candid, and objective feedback can be an effective means to answering the

question and can enrich employee-supervisor relations and enhance employee development. As an example, providing timely feedback may help a new employee master a new task or unfamiliar duty or simply provide general positive assurances from a supervisor.

Performance appraisals also provide a well-documented method for making decisions related to promotions, training selections, salary increases, disciplinary actions and potential termination actions. One of the objectives of a performance appraisal system is to judge quality and value of the employee to the organization. This is operationalized by a subjective evaluation normally conducted by a supervisor based on a set of established job measurement criteria (Pardue, 1999). In general a performance appraisal system begins with a job description which provides the necessary understanding of the job requirements, delineating what must be done and to what standard the work must be performed. The performance evaluation is used to appraise the quality of working being done, as outlined in the job description, and provides feedback to the employee. Feedback, the actual performance appraisal, is provided either verbally, in writing, or both.

McGee Wanguri (1995) provides a perspective that organizational communication scholars see performance appraisal systems as “microlevel information flow that occurs within the boundaries of most formal organizations ... [while] many practitioners ... view it as a necessary evil in institutional and corporate life” (para. 3). The quality of the feedback contributes to the overall organizational communication, workplace satisfaction, and job performance. This does not mean that performance appraisal systems are

universally accepted as a viable means to improve individual or organizational performance; there are seemingly as many critics of performance appraisal systems as supporters.

### ***Critical View of Performance Appraisal Systems***

Wood (1997) notes, “annual performance reviews are a necessary evil of the workplace. If done well, they should be part of an ongoing communication process between the manager and employee. When poorly implemented, performance evaluations can be demotivating and harmful” (p. 33). In fact, some researchers claim, “performance appraisal systems are so fundamentally flawed as to be manipulative, abusive, autocratic and counterproductive” (Segal, 2000, para. 1). Deming (2000) contends that performance appraisal of all kinds are not helpful tools to increase productivity due to the “implied preciseness.” The person that is rated lower will look to the person with a higher rating as a measure of good performance (the implied preciseness) and then try to emulate his or her performance. One supervisor may rate all subordinates higher than another supervisor, even though the actual employee’s performance may differ only slightly or not at all. The result, according to Deming, is an “impairment of performance” with an increase of variability in the performance of the workforce (p. 103). A traditional performance appraisal system is by default a backward looking system that cannot predict future performance. Deming explains that by always focusing on the end product “managers become managers of defects” and do not focus on leadership that would help the employee and the organization (p. 102). Additionally, poorly planned and

administered performance appraisal systems can be financially expensive as employers struggle to attract and retain talented employees.

Joinson (2001) suggests that “when reviews are not fair, accurate, and timely; they fail to reward star performers, fail to provide encouragement and guidance to borderline workers, and fail to give proper feedback to those whose work is substandard” (An Annual De-Motivator section, para. 1). Employees not satisfied with the performance appraisal system may become de-motivated and leave the organization, or may be less productive (An Annual De-Motivator section, para. 2). Joinson cites an 18-year veteran of the aerospace industry as he reflects upon when he first started working. As the lowest paid employee he worked to get a pay raise. He stated “no matter what I did, nobody reviewed my work and I never got noticed. After a while, I stopped being so concerned about my performance” (An Annual De-Motivator section, para. 3). The worker continues to explain, “I don’t think I developed a bad attitude, ... but I did stop being so gung-ho” (An Annual De-Motivator section, para. 3). A loss of a star employee, not identifying or training marginal performers, or reduced output (quantity or quality) by otherwise solid employees can be very costly for an organization in both the near-term and the long-term.

### ***The Value of the Performance Appraisal Systems***

The value of the performance appraisal system lies in the extent to which the organization communicates its importance (e.g. degree of diligence required, rater accountability, frequency, etc.), how the evaluations are strategically used, and format. Smith, Harrington, and Houghton (2000) elaborate, “if the raters are held accountable and



ratings play a key role in personnel actions such as pay, progression, and reduction in force (RIF) decisions, the organization has, in part, communicated the importance of appraisals” (pp. 23-24). Holding supervisors accountable for the quality and accuracy of appraisals, while tying the outcomes strategically to organizational goals and compensation are not the only methods used to espouse the importance of the performance appraisal system; the format of the system can also play a major role.

The performance appraisal format is generally evaluated on five criteria: (a) employee development potential (amount of feedback about performance that the format offers), (b) administrative ease, (c) personnel research potential, (d) cost, and (e) validity. Different organizations will place varying values or weights on the dimensions (Milkovich & Newman, 2002). The researchers explain that small organizations are more likely to be very cost conscious, while large organizations with pressing affirmative action commitments might place relatively high importance on validity and nondiscrimination with less concern about the cost. Progressive firms concerned with high employee development requirements might place substantially more emphasis on employee feedback. Bowen and Ostroff (2004) contend that the guiding logic for a performance appraisal system must develop employees’ skills, knowledge, and motivation such that the “employees behave in ways that are instrumental to the implementation of a particular strategy” (pp. 203-204). To better align the strategic use of an appraisal system with a dimensional focus, changes had to occur in the focus and design of performance appraisal systems in general.

### ***Fundamental Changes in Performance Appraisal Systems***

In the late 1980s and early 1990s fundamental changes in the design and focus of performance appraisal systems began. Catalanello and Hooper (as cited by McGee Wanguri, 1995) suggest there are two primary approaches in managing performance appraisal systems: traditional and collaborative (Rating Instrument section, para. 1).

***Traditional methods.*** The traditional methods include essay or open-ended reviews, ratings, checklists, and comparisons that focus on past employee performance and then generally link the performance appraisal outcome to some sort of compensation. Most of traditional performance appraisal systems do not include a plan or a review to improve future performance, nor do they address any obstacles (organizational or personal) that may preclude improved employee performance. The purely evaluative focus and backward view of the traditional performance appraisal system has drawn considerable criticism from researchers and practitioners alike (Boswell, et al., 2000; Deming, 2000; Gosselin, et al., 1997; Fletcher, 1993; Sheard, 1992; Wilson & Cole, 1990; Townley, 1990).

***Collaborative methods.*** Collaborative approaches move away from a standardized, backward looking evaluations to a more job based and individually tailored goal-oriented system. One such system is the manage by objective (MBO) design in which objectives are mutually established by the subordinate and the supervisor, and then are used as a standard to measure future performance. Employers focus on behaviors rather than strictly on the performance or performance outcomes. The general idea is that if employers could develop positive behaviors in their employees, positive performance

would result. The behavioral observation scale (BOS) and the behaviorally anchored rating scale (BARS) are two examples of performance appraisal systems in which various scale levels are anchored with behavioral descriptions directly applicable to the jobs being evaluated (McGee Wanguri, 1995, Rating Instrument section, para. 2). The major focus of a performance appraisal system shifted from a past performance evaluation to a performance appraisal system designed to manage work behaviors and to improve future performance.

With the focus on the future, the frequency of formal performance appraisal changed in many organizations. Setting work objectives, assessing work performance (output), dealing with compensation issues, while focusing on current behaviors and future performance was too much for an annual formal event (Wilson, et al., 1990). At this point research suggested that employees preferred to have performance appraisals more than once a year or preferred ongoing feedback throughout the year culminating in an annual formal review (Gosselin, et al., 1997; Wilson & Cole, 1990). One of the adjustments in performance appraisal systems most favored by employees is the process of coaching. Coaching emerged as a process of (a) encouraging employees to take responsibility for their actions in order to achieve higher standards of performance, and (b) to encourage employees to think of themselves as partners in working toward realizing organizational goals (Gosselin, et al., 1997). Overall, the concept was to have ongoing communication between supervisors and employees that linked present performance (or behaviors) with the requirements of the job, and with overall organizational goals. With design and focus changes prevalent in organizations,

researchers began to investigate what other influences may be affecting performance appraisal systems effectiveness.

### ***Cognitive Processes Research in Performance Appraisals***

Research into the cognitive processes of conducting performance appraisals furthered the understanding of variations in individual performance appraisals or what Deming (2000) condemned as “implied preciseness” (p. 103). Factors such as prior expectations of the ratee and rater, prior job knowledge of the ratee by the rater, and memory decay were all found to have some influence on performance appraisal. In laboratory settings the ratee’s prior performance appeared to frame or anchor current evaluations effectively reducing the performance appraisal to a comparative report of performance, rather than an unbiased evaluation of the current employee performance (Bretz, et al., 1992). In another study Mount and Thompson (1987) examined the effects of employee (ratee) prior expectations of the supervisor’s behavior during evaluations in terms of “congruence” or the supervisor’s behavior being what the employee expected, and “incongruence” or a violation of expectations. The results, based on the ratee’s perspective, suggested that with congruence appraisal results were more accurate or better reflected the ratee’s performance than when expectations were violated (p. 323).

The characteristics of the rater and ratee, gender and race biases, the halo effect, and accuracy of appraisal have since garnered much attention, however, no consensus between studies, particularly those conducted in laboratories and research conducted in the field, has been reached (Levy, et al., 2004; McGee Wanguri, 1995; Judge & Ferris, 1993; Bretz, et al., 1992). Research into memory decay revealed that rater inability to

recall job and ratee information introduced biases either in the form of a halo effect or in inaccurate ratings. Virtually all of the research, as reported by Bretz et al. (1992) into gender and race biases, halo effect, accuracy of appraisals, and memory decay has been in laboratory settings conducted as experiments. Bretz et al. concluded that the fragmentation in the research is due to fundamental differences between the “measurement aspects of appraisal research and the organizational purposes of performance appraisal” (p. 329). Judge and Ferris (1993) furthered this concept by positing that cognitive research is limited by its reliance on “quiet” laboratory research, which is unable to replicate and thus capture the “noisiness” of the context in which performance appraisals are actually embedded (p. 80). To gain a richer understanding of the influences on the enacted performance appraisal system researchers have called for more contextual studies within organizations, arguing that social and situational factors have been neglected (Levy, et al., 2004; Smith, et al., 2000; Judge & Ferris, 1993; Bretz, et al, 1992; Murray & Dimick, 1977).

### ***Contextual Research in Performance Appraisals***

Organizations underwent dramatic structural changes in the 1990s in response to both external and internal influences. Organizations developed a more horizontal structure with fewer levels of management, allowing the companies to be more flexible and responsive to both their customers and changing business climates. Increasingly the workforce possessed “mobile” professional and technical skills and certifications; employees no longer viewed their jobs as lifelong commitments, frequently changing positions and organizations every three to five years (Fletcher, 1993; Mumford, et al.,

1988). Researchers began to review the effects of contextual influences on the performance appraisal system; positing that identifying, measuring, and defining the organizational context in which appraisals take place is integral to truly understanding and developing effective performance appraisal systems. This major shift in research suggested that the social context and how participants reacted to the performance appraisal had as much (if not more) influence on the appraisal system's outcome as the design, form, and cognitive process of the rater and ratee (Levy, et al., 2004). Contextual analysis of performance appraisal systems may be broken into three major categories: structural, indirect, and direct variables.

***Structural variables.*** Structural variables refer to the design and form aspects of a performance appraisal system. Unlike designs in the past, contextually designed performance appraisal systems use a multi-sourced feedback system with the intent of eliminating or greatly reducing the biases and other concerns inherent with traditional and past collaborative designs. One example of the multi-sourced appraisal system is the 360-degree design. It is predicated on three assumptions: (a) that each rating source can provide unique information, (b) that multiple sources provide incremental validity over single sources, and (c) that feedback from more than one source will lead to increased self-awareness and improved behavioral changes. Not all multi-sourced systems are as encompassing as the 360-degree design; however, most are designed to address organizational contextual concerns of evaluating and coaching employee performance and behavior.

***Indirect variables.*** Indirect variables as applied to the contextual study of performance appraisal systems include organizational climate, culture, organizational goals (mission and vision statements), human resource strategies, external economic factors, advancements in technologies, and workforce compensation (Levy, et al., 2004). In a literature review of systematic empirical research conducted between 1995 and 2003, Levy et al. (2004) concluded that very few studies had been conducted on indirect variables (p. 885). The researchers posit that this is due to (a) the lack of theories specific to performance appraisal systems that could be used as a guide for methodical research, (b) the difficulty in measuring indirect variables given structural variables mentioned earlier, and (c) that their influence on direct variables may be small and therefore they have not merited review (Levy, et al., 2004).

***Direct variables.*** Direct variables refer to the process in which the performance appraisals are conducted, or how the performance appraisals are conducted. One of the most studied direct variables is rater affect. Rater affect refers to liking or having positive regards for the ratee by the rater (Lefkowitz, 2000). Consistent with the affect infusion model, Lefkowitz further contends that (positive) affective regard is frequently related to higher appraisal ratings, less punishment, better relationships between the rater and ratee, greater halo effect, and less accurate appraisals.

### ***Performance Appraisal Discomfort***

Researchers cite motivation of the raters as another broad area of direct contextual study. In the past researchers assumed that all raters were motivated to conduct performance appraisals and that the cognitive processes were to be blamed for processing

errors (Levy, et al., 2004; Decotiis & Petit, 1997; Murray & Dimick, 1977). Current research questions whether all or most raters are motivated to conduct performance appraisals or to rate employees accurately. Smith et al.'s (2000) study suggests that performance appraisal discomfort (PAD) negatively affects the rater's beliefs about the importance of the performance appraisal system. Examining 108 supervisors in state and federal positions, the study revealed that all performance appraisal discussions invoked PAD, with appraisals that would address performance "problems" evoking even greater discomfort than those that would discuss "acceptable" performance. Raters further believed that "problem" performance appraisals would adversely impact the ratee's motivation, erode the quality of their work, and negatively impact the subordinate/supervisor relationship (Smith, et al., 2000, p. 29). Regarding the effects of PAD, practitioners reported that their raters showed an overwhelming tendency to evaluate leniently (Levy, et al., 2004). Struthers' (1998) study found that perceived attributes (ability or effort) of the ratee by the rater were a direct factor in determining whether to console, reprimand, transfer, demote, or fire an employee. As an example, a rater might ask, did the employee miss-spell words on the letter they typed because their spelling ability was not very good, or did the employee not pay attention to what they were doing (effort) and miss-spell words in the letter. The attribute the rater places as the cause of the error affects the performance appraisal. That is, whether the attribution influences the rater's decision to reprimand the employee or whether to suggest training to improve the employee's spelling skills.



Smith et al. (2000) found no significant impact between age and managerial experience with PAD, however, more experienced supervisors reported less PAD than less experienced supervisors. This study was limited to “problem” appraisals only. Additionally, related studies suggest that motivation to conduct such a performance appraisal can be linked to the rater being held accountable for the content and quality of the performance appraisal. These researchers suggest more empirical studies should be done on rater and ratee beliefs, such as rater’s fear of reprisals, or the adverse impact on work motivation, that may be influencing PAD (Smith, et al., 2000).

### ***Merit Pay Systems***

To increase motivation for the ratee to participate in the performance appraisal system, merit pay systems were developed (also known as pay for performance, and performance pay, etc.). While this sounds like a solid idea, there is very little research to support that any such program has been fully successful (Campbell, et al., 1998). Researchers suggest that individual-level merit pay systems should be replaced by “work-unit based merit pay systems” to better recognize the business trend of using work groups rather than heavily managed vertical organizational structures (Levy, et al., 2004, p. 888). Deming (2000) condemns all such systems as “implied preciseness” and backward focused (p. 103). Overall, it is recognized that more empirical research must be conducted related to rater motivation, ratee motivation, and participation factors as applied to performance appraisal systems.

### *A Critique*

Research in the area of performance appraisal systems was first limited to the design, form, and focus of the system. Researchers, expanding into the distal effects of the performance systems, focused on organizational contextual elements, while other researchers sought to better understand the cognitive processes in conducting appraisals. The underlying assumption in this research was that the rater routinely conducts appraisals and that the performance appraisal system was functional. This did not take into account the “noisiness” of the performance appraisals context (Judge & Ferris, 1993), nor the fact that in some departments or organizations appraisals are not routinely conducted even though there may be a codified requirement to do so. Human resource professionals have invested a great deal of effort to align the design and focus of the performance appraisal system to support the organizational mission and structure. Bowen and Ostroff (2004) stress that all human resource practices communicate constantly, both in intended and unintended ways. What effect or message does “not doing” appraisals have on communication within an organization in light of established organizational goals to improve productivity (and profits), customer service, and employee retention? Could the message be that current productivity or customer service is not important? Alternately, a performance appraisal system that is fully supported and conducted as codified “build[s] shared, collective perceptions, attitudes, and behaviors among employees” (p. 206). Research on the effects of not conducting performance appraisals on employee performance and behavior, as well as the barriers that preclude conducting appraisals or allow raters not to conduct appraisals has yet to be conducted. Regardless of

the level of attention afforded to the appraisal process, codified performance appraisal systems are enduring.

### ***Codified Performance Appraisal Systems***

The average codified performance appraisal system has been in place for approximately 11 years. It is estimated that practitioners spend about 7 hours a year in reviewing each employee's performance, while more aggressive organizations report spending up to 40 hours per year on each employee (Bretz, et al., 1992).

In more progressive, collaborative, and contextually designed systems, appraisals are conducted multiple times throughout the year, creating an ongoing dialog between the rater and the ratee (Gosselin, et al., 1997; Wilson & Cole, 1990). The intent of such systems is to provide the most positive experience for the rater and ratee, as well as increase commitment to the organization and productivity of the employee. The positive benefits of conducting an ongoing dialogue between management and employees may be lost by some organizations with traditional appraisal systems.

Not all organizations that have codified performance appraisal systems are enforcing and monitoring supervisors and managers to ensure that appraisals are conducted. If performance appraisals are not conducted at all, or not conducted to the standard codified by the organization, this may imply that appraisals are not important or necessary. Given the espoused importance of the performance appraisal system, as well as the time spent preparing and conducting the appraisals, it is posited that when the enacted practices and codified requirements are aligned, there will be a positive effect on the organization and on communication within the organization. To date, there has been

no empirical study conducted on the effects the performance appraisal system may have on the communication within an organization. The present study examines the influence performance appraisal systems have on communication within the organization, operationalized in terms of communication based measures of teamwork, information flow, and involvement, as well as the relationships between the enacted performance appraisal system, PAD, and the beliefs supervisors and employees have about appraisals.

### ***Research Questions***

Keyton (2005a) contends that organizations are socially constructed flexible interactional systems of ongoing conversations (pp. 10-11). These ongoing “conversations” between supervisor and employee link the organizational goals, mission, and vision to the employee, which is posited to positively effect communication within the organization, increase workplace satisfaction (employee retention), and job performance (McGee Wanguri, 1995). A more formal “conversation” between supervisor and employee (rater and ratee) is the performance appraisal. It is important to understand what effect beliefs held by the ratee about the importance and validity of the performance appraisal system may have on the organization, when the appraisals are conducted as required, as well as when the appraisals are conducted in a noncompliant manner. The following research questions address the relationship between these beliefs, the communicative effects performance appraisal systems have on an organization, and whether the supervisors are adhering to the performance appraisal system as codified.

RQ1: When mediated by ratees’ beliefs regarding the performance appraisal system, what difference exists in levels of teamwork, information flow, and

involvement, when performance appraisals are conducted in a compliant or noncompliant manner?

RQ2: What difference exists in ratees' beliefs regarding the performance appraisal system when their raters are compliant in delivering their performance appraisals or when they are noncompliant?

### ***Performance Appraisals, Employee Beliefs, and PAD***

Performance appraisal discomfort (PAD) may be a factor influencing supervisors not to conduct performance appraisals as required (compliance). It is posited that when PAD is coupled with the belief that appraisals are not important or when supervisors are not held accountable, noncompliance will occur. When appraisals are conducted as required, research suggests that PAD increases (Smith, et al., 2000). The increase in PAD may be caused by the belief that appraisals are important and have consequences for the employee and the organization. To better understand the relationship between compliance, PAD, and beliefs the following questions are asked.

RQ3: What difference exists between compliant and noncompliant raters on their levels of performance appraisal discomfort and their beliefs about the performance appraisal system?

RQ4: What is the relationship between performance appraisal discomfort and raters' beliefs about the performance appraisal system?

### ***Rater -- Ratee Beliefs of Performance Appraisal Systems***

Performance appraisal systems are an established human resource management tool. Two factors may influence the effectiveness of an appraisal system. First, the beliefs

held by the rater concerning the importance of the outcomes related to the appraisal.

Second, the ratee's perception that their supervisors provide appraisals that are accurate, fair, informative, and timely. The following question investigates the relationship between the raters' beliefs and the ratees' beliefs about their current performance appraisal system.

RQ5: What is the relationship between raters' beliefs about the performance appraisal system and ratees' beliefs about the performance appraisal system?

## **Chapter 2**

### **Research Methodology**

#### ***Research Design***

This cross-sectional study utilized a self-reporting, anonymous questionnaire. A simple random sample of employees across the organization was surveyed on the variables of compliance (the conducting of performance appraisals on an annual basis), rater and ratee beliefs (about the importance of performance appraisal), teamwork, involvement and information flow. The study only addressed organization-wide concerns so that participant identification was unnecessary, given that some departments within the organization were structured in such a way that any information obtained could lead to the identification of the respondents. This would detract from the study's design, and could discourage participation.

#### ***Sample and Procedures***

At a medium sized northwestern university, a simple random sample of 1,000 employees was selected from a population of 1,403 employees. The population is defined as employees who are eligible to receive performance appraisals or who are required to give appraisals. Faculty, temporary employees, and employees covered by the collective bargaining agreement (union contract) who do not receive performance appraisals were excluded from the study. Members of university communities are commonly used for survey research and are well known for their poor response rate. One thousand E-mails were distributed containing two cover letters (see Appendix A) with a link to a web-based questionnaire (see Appendix B) Three days after the initial E-mails were sent, a followed-

up “reminder” was sent to encourage participation. Twenty-six E-mails were returned as undeliverable. A total of 318 individuals responded for an aggregate response rate of 31.8%.

The first cover letter was an endorsement from the Staff Council President, which explained the importance of the study to university staff, and stressed that all responses would be absolutely anonymous. The second cover letter, developed by the researcher, explained the purpose of the study in general terms and provided a web-link to the actual questionnaire. It was anticipated that the questionnaire would not take more than 30 minutes to complete. The data gathered from the questionnaire’s 58 questions was transformed directly from the website to a database (spreadsheet) format. This method assured that any possible identifying information would never be associated with a particular data set, and reduced potential data entry errors.

### ***Measures***

The questionnaire was comprised of three existing scales measuring six variables, one measure developed by the researcher, and a demographic section. The first scale measured communication within the organization using three measures from the organizational culture survey by Rubin, Palmgreen, and Sypher (1994): teamwork, information flow, and involvement. The Cronbach alphas for the subscale measures ranged from .63 to .91, but were not individually reported (p. 264).

***Teamwork.*** Teamwork (see Appendix C) is a communication variable that addresses the coordination of effort, honesty, conflict resolution, teamwork, concern, and cooperation, combined with a feeling of open group communication (Rubin, et al., 1994,



p. 264). All respondents were asked eight statements such as “People I work with are direct and honest with each other,” and “People I work with accept criticism without becoming defensive.” Responses were provided using a 5-point scale with anchors ranging from “to very little extent” to “to a very great extent.” The Cronbach alpha for the measure in this study was .92.

***Information flow.*** This variable (see Appendix D) was conceptualized as sufficient information to do one’s job, and communication about change (Rubin, et al., 1994, p. 264). It was addressed in two ways. First, participants were asked to respond to three statements such as “I get enough information to understand the big picture here.” Responses were provided using a 5-point scale with anchors of “to very little extent” to “to a very great extent.” The Cronbach alpha for the measure in this study was .96. Second, a question was asked about the frequency with which supervisors provided informal feedback that could lead to improving performance. The question, “How often do you receive informal feedback from your supervisor that helps you improve your performance?” had a 5-point response scale that was anchored from “never” to “always.”

***Involvement.*** Involvement (see Appendix E) was measured by questions asking about input of ideas and participation in decision making, about supervisors encouragement of employees to submit thoughts and ideas, and about whether those submissions were taken seriously (Rubin, et al., 1994, p. 264). Four statements were posed to all respondents. One example is “I have a say in decisions that affect my work.” “To a very little extent” to “to a very great extent” anchored the two ends of the 5-point response scale. The Cronbach alpha for involvement was .86.

***Compliance.*** Compliance was an additional variable included in the first scale and was operationalized by the organization's codified requirement to have a supervisor conduct an annually performance appraisal within 12 months (see Appendix F). The annual requirement to conduct an appraisal was the only criteria used to define compliance or noncompliance for a supervisor (rater). Employees who had received an annual appraisal in the past 12 months, in their current position, were defined as compliant. Employees (ratees) that had received an annual appraisal in the past, but not within the past 12 months, or never received an annual appraisal were considered noncompliant. Employees not required to receive appraisals were excluded from this study.

***Ratee perceptions of performance appraisals.*** The second scale was adapted from the Federal Employee Attitude Survey by DeMarco and Nigro (1983) and addressed the ratee's perception (beliefs) that their supervisors provided appraisals that were accurate, fair, informative, and timely (see Appendix G). All respondents that have received an appraisal in the last 12 months were asked to respond to ten statements such as "My job performance is carefully evaluated by my supervisor;" "There is a tendency for my supervisor here to give the same performance rating regardless of how well people perform their jobs," and "In the past I have been aware of what standards have been used to evaluate my performance." A 5-point response scale from "strongly disagree" to "strongly agree" was used. DeMarco and Nigro did not report a reliability in their study, however, a study by Smith et al. (2000) reported a .69 Cronbach alpha. The Cronbach alpha for this study was .88.

***Rater beliefs about performance appraisals and important outcomes.*** The second scale included an adaptation of the Federal Employee Attitude Survey (DeMarco & Nigro, 1983) addressing the rater's beliefs that performance appraisals improve employee performance, productivity, effect pay decisions, promotions, and demotions (see Appendix H). Raters were asked to respond to five statements such as "Annual performance appraisals when conducted correctly can increase productivity," and "The annual performance appraisal system in my organization helps improve the performance of its employees." A 5-point response scale from "strongly disagree" to "strongly agree" was used. DeMarco and Nigro did not report an alpha in their study. The Cronbach alpha for rater beliefs in this study was .67.

***Performance appraisal discomfort (PAD).*** The third scale included performance appraisal discomfort (see Appendix I), and reflected the level of discomfort a rater may have about conducting performance appraisals in a variety of situations. Only those respondents that gave performance appraisals were asked to respond to these 21 statements. "No discomfort" to "high discomfort" anchored the 5-point scale. The Cronbach alpha for this measure in the study was .92, whereas Smith et al. reported a Cronbach alpha of .90.

***Demographic data.*** Respondents were asked to provide their gender, age, length of employment at the organization, if they were a supervisor, how long they have been at their current position, and if their position required them to conduct performance appraisals (see Appendix B).

### Chapter 3

#### Results

General demographic descriptive statistics are found in Table 1. The correlations (Pearson's), and descriptive statistics for the demographic data are provided in Table 2. Table 3 presents the correlations, descriptive statistics, and reliabilities for the study variables. Reliabilities for the measures were established through coefficient alphas and are sufficient. Interpreting correlation values is a subjective process. Following generally established guidelines in social science for interpreting the strength of the correlation, the significant coefficients for the study variables lie between "low, but with a definite small relationship" and "moderate with a substantial relationship" (Keyton, 2001b). The only exception is the high correlation between beliefs and information flow.

**Table 1**

#### Demographic Descriptive Statistics

|   | Male | Female |
|---|------|--------|
| Total Respondents: (315)                      | 74   | 241    |
| Number of Supervisors                         | 35   | 75     |
| Number of nonsupervisors                      | 39   | 166    |
| Average Age:                                  |      |        |
| Supervisor                                    | 47.6 | 46.9   |
| Nonsupervisors                                | 41.3 | 40.5   |
| Average Years Employed at UAF:                |      |        |
| Supervisor                                    | 11.2 | 13     |
| Nonsupervisors                                | 8.6  | 7.5    |
| Average Years in Current Position:            | 7.4  | 6.2    |
| Average Years as Supervisor:                  | 10.7 | 7.7    |
| Average Years as Supervisor and Conducts PAs: | 8.3  | 5.8    |

**Table 2****Correlations among Demographic Variables with Descriptive Statistics**

| Variable                      | 1      | 2        | 3        | 4        | 5         |
|-------------------------------|--------|----------|----------|----------|-----------|
| 1. Age                        |        |          |          |          |           |
| 2. Work Tenure                | .531** |          |          |          |           |
| 3. Position Tenure            | .415** | .700**   |          |          |           |
| 4. Supervisory Tenure         | .395** | .464**   | .521**   |          |           |
| 5. In Position to Conduct PAs | .361** | .313**   | .463**   | .911**   |           |
| N                             | 312    | 315      | 313      | 110      | 85        |
| M                             | 42.870 | 9.361    | 5.089    | 8.655    | 8.556     |
| SD                            | 10.300 | 7.677    | 5.624    | 7.234    | 7.450     |
| Minimum/ Maximum              | 22/66  | .50/38.0 | .08/31.0 | .42/30.0 | .50/30.33 |

\*\*p &lt; .01

**Table 3****Correlations among Variables with Descriptive Statistics**

| Variable            | 1      | 2      | 3      | 4      | 5      | 6         |
|---------------------|--------|--------|--------|--------|--------|-----------|
| 1. Teamwork         |        |        |        |        |        |           |
| 2. Involvement      | .641** |        |        |        |        |           |
| 3. Information Flow | .082   | .170** |        |        |        |           |
| 4. PAD              | -.089  | -.202  | -.059  |        |        |           |
| 5. Ratee Beliefs    | .476** | .484** | .766** | .026   |        |           |
| 6. Rater Beliefs    | .316** | .330** | .297** | -.254* | .507** |           |
| N                   | 315    | 315    | 315    | 79     | 179    | 86        |
| M                   | 3.423  | 3.200  | 1.867  | 2.367  | 3.424  | 2.916     |
| SD                  | .860   | 1.110  | 1.830  | .790   | .860   | .770      |
| Minimum/ Maximum    | 1/5    | 1/5    | 1/5    | 1/4.05 | 1.40/5 | 1.20/4.60 |
| Coefficient Alpha   | .920   | .860   | .963   | .925   | .881   | .670      |

\*\*p &lt; .01, \*p &lt; .05.

***Communication Based Variables, Ratee Perceptions, and Compliance***

Factorial (2-way) ANOVAs were used to investigate research question one as to whether the ratees' perceptions (beliefs) about performance appraisal systems conducted in a compliant or noncompliant manner has an effect on the communication based

variables. To better discriminate the effects these perceptions may have on teamwork, information flow, and involvement the “ratee perceptions” independent variable was broken into three categories based on an average score. The low category scores ranged from 1.00 to 2.50 on the five-point scale. This group of respondents represents ratees that either “strongly disagree” or “disagree” that their supervisors had provided them an accurate, fair, informative, or timely appraisal. The high category scores ranged from 3.51 to 5.00. This group either “strongly agreed” or “agreed” their supervisors had provided them accurate, fair, informative, or timely appraisals. The moderate category represents ratees who “did not know” if their rater had provided them an accurate, fair, informative, and timely appraisal. The moderate category response scores ranged from 2.51 to 3.50. The other independent variable “compliance” had two categories, compliant and noncompliant.

***Teamwork.*** The main effect of ratees perception of validity for the performance appraisal system on teamwork was significant,  $F_{(2, 172)} = 20.56$ ,  $p < .05$ ,  $\eta^2 = .19$ . The main effect on teamwork when the rater conducted an appraisal in a compliant or noncompliant manner was not found to be statistically significant. The interaction between compliance and ratee perceptions was not statistically significant. Tukey’s Honestly Significantly Different (HSD) post hoc test was conducted to examine between-group differences among means on ratee perceptions. Comparing the mean differences for teamwork across the three categories of ratee perceptions revealed that the ratees that perceived their supervisors provided them with valid appraisals significantly differ from those ratees that disagreed about the effectiveness of their appraisals (low ratee

perceptions; Tukey  $a = .940$ ,  $p < .001$ ) and from those ratees that were not sure (moderate perceptions; Tukey  $a = .550$ ,  $p < .001$ ).

**Information flow.** The main effect of ratees' perceptions of validity for the performance appraisal system on information flow was significant,  $F_{(2,172)} = 70.945$ ,  $p < .05$ ,  $\eta^2 = .45$ . Compliance was not found to significantly affect levels of information flow. The interaction between compliance and ratees' perception on information flow was not found to be statistically significant,  $F_{(2, 172)} = 2.51$ ,  $p > .05$  (actual:  $p = .08$ ). The Tukey HDS test revealed significant differences in information flow among all three categories of ratee perceptions. Ratees with lowest perception that their performance appraisals were effective differed from ratees with moderate perceptions (Tukey  $a = -1.066$ ,  $p < .001$ ) and from ratees with the highest perceptions of their appraisals (Tukey  $a = -1.942$ ,  $p < .001$ ). Ratees with moderate perceptions were also significantly different from ratees with the highest perceptions of their appraisals validity (Tukey  $a = -.877$ ,  $p < .001$ ).

Due to the low  $p$  value for the interaction effect ( $p = .08$ ), the interaction mean scores for information flow on the interaction group were explored and a post hoc test was run. Scores for compliant and noncompliant groups of participants with both moderate and high perceptions of validity were separated by less than .07, however the difference for those with the lowest perceptions were greater than .63. Exploring this variance, a post hoc  $t$ -test confirmed a significant difference in perceptions of information flow between ratees with low perceptions of validity who received performance

appraisals in a compliant fashion and those who did not,  $t_{(35)} = 2.21$ ,  $p < .05$  (actual:  $p = .03$ ).

***Involvement.*** The main effect of ratee perceptions of validity for the performance appraisal system on involvement was significant,  $F_{(2,172)} = 21.79$ ,  $p < .05$ ,  $\eta^2 = .20$ . No significant effect on involvement was found for rater compliance when conducting appraisals, and no significant interaction between ratee perceptions and compliance was found for involvement. The mean differences between involvement across the three categories of ratee perceptions were compared. Ratees with high perceptions differed significantly from ratees with the lowest perceptions (Tukey  $a = 1.121$ ,  $p < .001$ ) and the ratees that were not sure their performance appraisals were valid (Tukey  $a = .711$ ,  $p < .001$ ).

To check the assumption of equal variances, Levene's test was conducted. Significant findings in the homogeneity of variance test indicated that variances were not equal for teamwork and involvement, however, Darlington (1990) notes that the assumption of homoscedasticity is a secondary assumption that can be violated, while still allowing useful conclusions to be drawn from the data. Analysis of variance is robust to departures from normality.

### ***Ratee Perceptions of Performance Appraisals and Compliance***

Research question two asked what difference may exist between ratees' perceptions for those who receive their annual performance appraisals in a compliant or noncompliant manner. A t-test for independent means was conducted. There was a significant difference in the perception of validity ratees held about performance



appraisals when their raters conducted them in a compliant or noncompliant manner,  $t_{(176)} = 3.918, p < .001$ . Ratees who received complaint performance appraisals held higher perceptions, ( $M = 3.63, SD = .80$ ) about the appraisal received from their supervisor than those who did not receive compliant performance appraisals ( $M = 3.13, SD = .86$ ).

### ***Compliance, Performance Appraisal Discomfort, and Rater Beliefs***

Research question three asked whether a difference exists between raters that are compliant or noncompliant in giving appraisals on level of PAD and beliefs that performance appraisal have important outcomes. Two t-tests for independent means were conducted. The first t-test revealed that compliant raters indicated significantly lower levels of PAD than noncompliant raters,  $t_{(75)} = 2.803, p < .05$ . The second t-test found there was no significant difference between raters who were compliant or noncompliant ( $M = 2.916, SD = .77$ ) on their beliefs that performance appraisals have important outcomes. However, it should be noted that 39% of the supervisors that responded in this study were found to be noncompliant.

### ***Performance Appraisal Discomfort and Rater Beliefs***

The fourth research question addressed the relationship between PAD and raters' beliefs about performance appraisal systems. Correlation analysis (Pearson's  $r$ ) determined that there was a low negative relationship between the variables,  $r = -.254, p < .05, r^2 = .065$ . As raters' beliefs that performance appraisals have important outcomes rose, the level of PAD experienced decreased.

***Rater-Ratee Beliefs about Performance Appraisal Systems***

Research question five asked what is the relationship between raters' beliefs that appraisals have important outcomes and ratees' perceptions of the validity of their performance appraisals. A moderate correlation with a substantial relationship was found,  $r = .507$ ,  $p < .001$ ,  $r^2 = .257$ . As raters' beliefs that appraisals have important outcomes rose, ratees' perceptions that their supervisors had provided them accurate, fair, informative, and timely performance appraisals also rose.

## **Chapter 4**

### **Discussion**

The general aim of this study was to explore the influence performance appraisal systems have on communication within organizations. Specifically, by first reviewing how ratee perceptions of their performance appraisals effect their sense of teamwork within the organization; if the appraisal provided sufficient information to do their jobs more effectively; and if their appraisal encouraged input of ideas and participation. Next, the raters that conducted annual performance appraisals every 12 months, as required, were compared against the beliefs that appraisals are tied to important outcomes. Finally, two relationships were explored: (a) raters' beliefs that appraisals are tied to important outcomes and PAD and (b) ratees' perceptions of appraisal validity and raters' beliefs about appraisal outcomes.

### ***Findings and Conclusions***

The results of this study supported several conclusions regarding performance appraisal systems and organizational communication. First, the employees that reported their supervisors had provided them with valid, timely appraisals felt a greater general sense of teamwork than those employees who reported receiving less than a valid appraisal. Specifically they felt there was more honest, open communication within the organization; that they would be able to resolve conflict more effectively, and perceived greater coordination of their efforts. The perception that one is working in an environment that encourages employees to tell their supervisors of their ideas and thoughts was also supported by valid appraisals from their supervisors. Employees felt

strongly that information flow, the sense that they get enough information to do their job and are kept abreast of changes, increases as they perceive they are receiving valid feedback from their supervisors. Supervisors that provide annual performance appraisals were found to have the greatest impact on information flow and have the greatest effect on their employees' perceptions of appraisals. The bottom line is if supervisors conduct performance appraisals as required by the University they could improve the perceptions held by their employees of performance appraisals, which in turn could positively influence organizational teamwork, information flow, and involvement in the organization.

Second, Smith (2000) reported that all performance appraisal discussions are likely to produce discomfort *if* [emphasis added] the raters believe the appraisals are linked to important outcomes. In this study, supervisors that conducted performance appraisals as required felt about the same regarding the importance of appraisals as those supervisors that did not conduct appraisals as required. Additionally, supervisors that conducted appraisals reported less discomfort about giving them than those who did not. The results of the two studies differ due to the design of the current study. Smith's study only examined PAD for supervisors that complied with organizational requirements to conduct appraisals. Adding to the understanding of PAD literature, the current study recognized that not all supervisors are compliant. Including both compliant and noncompliant supervisors accounted for some of the organizational "noisiness" and enlarged the scope of the conclusions. The University in this study did not compel its supervisors to comply as evidenced by a 39% noncompliance rate. Supervisors in this

study reported that they did not know or disagreed that performance appraisals were linked to important outcomes (as indicated by the mean). The major difference between the two studies was not in the studies conclusions, but rather in the management of the performance appraisal system in the organizations studied. In organizations that compel compliance and tie important outcomes to appraisals, supervisors will experience increased PAD. Conversely, organizations that do not compel compliance and do not provide a clear understanding of the importance of the outcomes to their supervisors will experience a lower amounts of discomfort even for those conducting appraisals as suggested by this study.

Finally, this study suggests that supervisors and employees tend to have like beliefs about performance appraisals. When supervisors believe appraisals are tied to important outcomes, employees' perceptions that their supervisors are providing a valid appraisal rise, and vise-versa. This, along with the other conclusions of this study, has important implications for practitioners.

### ***Implications for Practitioners***

The current literature suggests that organizations will continue to employ performance appraisal systems as a key HR tool, and tie performance appraisals to important outcomes (Smith, 2000). Traditional methods of managing appraisal systems: formalizing rating schemes, training supervisors on appraisal forms, understanding rated values, and establishing dates for appraisal to be conducted will not be adequate to meet the demands of the 21<sup>st</sup> Century. Management must be held accountable to ensure supervisors are providing accurate, fair, informative, and timely performance appraisals

as required by the organization. To do this, training must be conducted to ensure continuity between what employees perceive as valid performance appraisals, and what supervisors understand about the importance of appraisals. Management must recognize that as the performance appraisal system becomes more closely tied to important outcomes supervisors will need support and should be provided specialized training to cope with the effects of PAD.

The positive relationship between supervisors' beliefs and employees' perceptions if constructively managed could be a pivotal catalyst for increasing communication within an organization, specifically increased teamwork, information flow, and employee involvement. Management within organizations should take extra care to ensure supervisors present the appraisal system in a positive light and that they be completely honest about the system. This may require the organization to assess the design of their performance appraisal system.

Finally, this study has shown the need to evaluate a performance system on a regular basis to ensure it is functioning in a manner that enhances the organization, and the members that socially construct it.

### ***Limitations***

There were two limitations to the study. The main limitation was that it had to be conducted at the organizational level given the "student" status of the researcher. Employee performance appraisal records are held in strict confidence, as they should be. By policy and law, the university does not allow students access to HR records or to conduct any inquiry that could link individuals or departments through their association

with specific HR policy or procedure. Accordingly, the study had to be conducted at the organizational level only so that all respondents could maintain complete anonymity.

The study's limited on-line technology may have had an effect on some respondents. The electronic questionnaire did not provide a "no comment" option. With no way to leave an answer drop-down box "blank," responses to some scale items may include the default response of "one." However, there was evidence to suggest this was not an issue for participants overall. A different issue arose and respondents were quick to make the researcher aware of the concern. In the first hour after the E-mail went out, six respondents identified question 33 as having an inappropriate response set. The question initially listed "Strongly disagree" to "Strongly agree" as the five-point scale rather than the appropriate "Never" to "Always." The researcher quickly made the correction. The inability to not answer was mentioned by one respondent. None of the other 27 "comment" E-mails or numerous personal encounters mentioned that concern. While anecdotal, when combined with a review of the distribution of responses for variables that may have been affected, this did not appear to be a statistically significant concern. However, there is no way to discount the possibility of an influence.

### ***Future Research***

The three communication based variables in this study, teamwork, information flow, and involvement served this study to better understand how an appraisal system may effect communication within an organization. Future research should explore other communication related outcome variables (e.g., organizational climate) to better understand and explain performance appraisal's influence on organizational

communication. Smith (2000) calls for further study of other variables as possible predictors of PAD, however, this study suggests PAD can be used as predictors for appraisal system abnormalities. A low PAD finding could predict perceived low importance by supervisors, or that compliance is in form only, or that appraisal systems are not being monitored. Results of this study suggest the need for other methodological approaches that can garner a greater understanding of the communicative effects, and the overall cultural influences that might be effecting the enactment of performance appraisal systems.

### ***Conclusion***

Performance appraisal systems have been described as “one of the most critical human resource issues of the 21<sup>st</sup> century” (Pardue, 1999, para. 1). Scholars and practitioners have produced volumes of literature on form, design, and focus, which have improved the functionality of appraisals. In the 1980s as business strategies were developed to meet new demands, researchers began to investigate the cognitive and contextual elements that influence appraisals systems. The underlying assumption in research was that raters were always conducting appraisals as required. This study contributes to the current literature by addressing compliance and exploring communication outcomes. By applying proven measures, with three unique communication based outcome variables (teamwork, information flow, and involvement), and by exploring rater beliefs about important outcomes and ratee perceptions that the appraisal they receive are valid, this research extends our understanding of the effects of performance appraisal systems.



Beyond the extension of the literature, this study has clear applicability for practitioners. By conducting performance appraisals, the organization makes a statement that communication within the organization is important while recognizing the contribution made by each employee. At a university where 39% of the employees do not receive a valid appraisal, what message is the University sending to its employees? This study has shown that University employees desire feedback from their supervisors, the supervisors need to understand the importance of appraisal outcomes, and that the University will benefit from these ongoing conversations.

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## Appendix A

### Electronic Staff Council President's Letter

March 14, 2006

Dear XXX Staff,

For the past several years the XXX Staff Council has been paying special attention to the relationship between staff and their supervisors. It has been observed that many problems which occur in the workplace could potentially be avoided if better communication existed between supervisors and their employees.

Nick Towne, a graduate student in communication, has begun research on this very issue independent of the XXX Governance groups or Human Resources. The results of his research may provide us with valuable insight into the current institutional organization at XXX, its strengths, and short-comings.

You have been selected at random to receive this email. You now have the opportunity to reply to Mr. Towne's survey, and help develop our knowledge in this area.

I encourage each of you to answer the survey as requested. The process has been made as blind as possible. All of the emails have been hidden from the council and the researcher. We will not see individual results to the survey with any names or departments attached. Every effort has been made to ensure your privacy. The results of this survey will be made public, but the researcher and XXX will never know who responded to the survey.

Mr. Towne has been invited to share the results of this survey and his research at the XXX Staff Council meeting on April 19<sup>th</sup> at 9 AM in the XXX rooms XXX. All members of the public are invited to attend.

Thank you for your participation in this project. The Staff Council recognizes the need for improved communication and accountability within the XXX system. With your assistance we can better monitor how these needs are being met, and find more effective ways to improve upon what is already being done.

Sincerely,

XXX

President, XXX Staff Council

## **Electronic Version**

### **Performance Appraisals and Communication within the Workplace**

**Description of the study:**

You are invited to take part in a study about performance appraisals and communication in the workplace. I am a Masters student in the Department of Communication at XXX. This study is my thesis project. I am interested in what you have experienced at your current position as a person that is required to receive a performance appraisal and/or as someone required to give performance appraisals.

**Confidentiality:**

Participation in this project is voluntary and your responses will be anonymous. Your name will never be connected with your answers. In addition, your choice regarding participation will have no effect on your relationship with your place of employment. Although the information is valuable to the study, if there are individual items on the questionnaire that you would prefer to leave blank, you may do so. The information that I get from this research could be used in papers, presentations, and publications but you will never be personally identified in any way. The information I get from the survey will be stored on a personal computer, CD, and paper. The survey data kept in a personal computer will only be accessed by password, and data kept on paper or CD will be kept locked up in the Department of Communication for five years and then burned. Only myself and my supervisor, Dr. Christie Cooper will have access to the data. You are providing your informed consent by answering the questions and returning the questionnaire data.

**Risks and Benefits of Being in the Study:**

I do not see any risks for you in responding to this study. Taking part in this study will only cause you to spend approximately 30 minutes or less answering questions in the survey. There will be no direct benefit to you for doing so. However, results of this study may encourage positive change within the organization.

**Contact Information:**

If you have questions about the questionnaire or any other portion of this research project, please feel free to contact me, Nick Towne, room XXX, XXX, phone number, Email, or you may contact my supervisor Dr. Christie Cooper, room XXX, XXX, phone number, Email.

If you have questions about your rights as a research subject, please contact the Research Coordinator in the Office of Research Integrity at phone number; or Email. Please reference IRB # 06-10. You may also contact XXX Office of Human Resources, phone number, or XXX Staff Council, phone number should you have any other questions concerning this survey.

**To access the questionnaire [CLICK HERE](#)**

**Please complete the questionnaire by Monday, March 20, 2006.**

Again, thank you for your time and input!

## Appendix B

### Electronic Version

#### Performance Appraisals Survey

There are four different sections in this questionnaire. I ask that everybody complete the first 2 sections. The third section is for those people who should receive annual performance appraisals. The final section is for supervisors only. Please respond to the following items according to each set of instructions. Remember your responses are anonymous. *Thank you* for your time and input.

#### Section I (For Everybody)

1. What is your gender?
2. What is your age today?  years
3. How long have you worked for XXX?  years  months
4. How long have you been at your current position?  years  months
5. If you are a supervisor, how long have you been a supervisor?  years  months
6. If you are a supervisor, how long have you been a supervisor in a position that required you to give annual performance appraisals?  years  months

#### Section II (For Everybody)

**Please select the response that best represents the extent to which the following statements apply to you at your current position:**

7. People I work with are direct and honest with each other.
8. People I work with accept criticism without becoming defensive.



9. People I work with resolve disagreements cooperatively.
10. People I work with function as a team.
11. People I work with are cooperative and considerate.
12. People I work with constructively confront problems.
13. People I work with are good listeners.
14. People I work with are concerned about each other.
15. I have a say in decisions that affect my work.
16. I am asked to make suggestions about how to do my job better.
17. This organization values the ideas of workers at every level.
18. My opinions count in this organization.

### Section III (For People That Should Receive Annual Performance Appraisals)

**Please select the response that best represents the timing for the following question. *If this does not apply to you please skip to the next section.***

19. The last formal performance appraisal I received from my supervisor was how long ago?

**If you have never received an annual performance appraisal while employed at XXX AND if you are a supervisor please skip to section IV. If you are not a supervisor (you do not provide annual appraisals) and have never received an annual performance appraisal while employed at XXX you have now completed the survey items that apply to you. Please click "Submit Now."**

**If you have received an annual appraisal please continue. *Thank you!***

**Please select the response that best represents the extent to which you agree or disagree with the following statements as they apply to you:**

20. There is a tendency for my supervisors here to give the same annual performance ratings regardless of how well people perform their jobs.

21. My supervisor considers annual performance appraisal of subordinates to be an important part of his/her job.

22. My job performance is carefully evaluated by my supervisor.

23. My supervisor gives me adequate information on how well I am doing.

24. My supervisor and I jointly set my performance objectives.

25. My supervisor discusses with me the specific reasons for the annual performance rating I receive.

26. My supervisor evaluates my performance on things not related to my job.

27. In the past I have been aware of what standards  
have been used to evaluate my performance.

28. Information I receive about my annual performance  
usually comes too late for it to be of any use to me.

29. My annual performance rating presents a fair and  
accurate picture of my actual job performance.

30. I get enough information to understand the big picture here.

31. When changes are made the reason(s) why are made clear.

32. I get the information I need to do my job well.

33. How often do you receive informal feedback from  
your supervisor that helps you improve your performance?

## Section IV (For Supervisors Only)

**Please click on the appropriate spot that corresponds with the timing that answers the following question.**

34. The last annual performance appraisal I conducted  
was done how long ago?

35. Telling an employee that he/she must stop  
coming into work late.

36. Telling an employee that his/her work is only satisfactory, when you  
know that he/she expects an above satisfactory rating.

37. Talking to an employee about his/her performance on the job.

38. Conducting a formal annual performance appraisal interview  
with an ineffective employee.

39. Asking an employee if he/she has any comments about  
your rating of his/her performance.

40. Telling an employee who has problems in dealing with others that he/she should do something about it (take a course, read a book, etc.).

41. Telling a male subordinate that his performance must improve.

42. Responding to an employee who is upset over your rating of his/her performance.

43. Conducting a formal annual appraisal interview with an effective employee.

44. Letting an employee give his/her point of view regarding a problem with performance.

45. Giving a satisfactory rating to an employee who has done a satisfactory (but not exceptional) job.

46. Having a subordinate disagree during an annual appraisal interview.

47. Being challenged to justify an annual evaluation in the middle of an appraisal interview.

48. Being accused of playing favorites in the rating of your staff.

49. Recommending that an employee be discharged.

50. Telling an employee that his/her performance can improve.

51. Warning an ineffective employee that unless performance improves, he/she will be discharged.

52. Telling a female employee that her performance must improve.

53. Encouraging an employee to evaluate his or her own performance.

**Please select the response that best represents the extent to which you agree or disagree with the following statements as they apply to you:**

54. Annual performance appraisals when conducted correctly can increase productivity.

55. My organization considers annual performance appraisal an important part of a supervisor's duties.

56. The annual performance appraisal system in my organization helps improve the performance of its employees.

57. The quality of one's performance determines one's pay in my organization.

58. Annual performance appraisals influence personnel actions (e.g., promotions, demotions, etc.) taken in my organization.

## Appendix C

## Teamwork Measure

Please circle the number that represents the extent to which the following statements apply to you at your current position:

To very little extent      1 ----- 2 ----- 3 ----- 4 ----- 5      To a very great extent

1. People I work with are direct and honest with each other.
2. People I work with accept criticism without becoming defensive.
3. People I work with resolve disagreements cooperatively.
4. People I work with function as a team.
5. People I work with are cooperative and considerate.
6. People I work with constructively confront problems.
7. People I work with are good listeners.
8. People I work with are concerned about each other.

*Note.* From "Communication Research Measures: A Sourcebook," edited by R. B. Rubin, P. Palmgreen, and H. E. Sypher, 1994, The Guilford Press, NY, p. 263.



## Appendix E

### Involvement Measure

Please circle the number that represents the extent to which the following statements apply to you at your current position:

|                            |                             |                           |
|----------------------------|-----------------------------|---------------------------|
| To a very<br>little extent | 1 -----2-----3-----4----- 5 | To a very<br>great extent |
|----------------------------|-----------------------------|---------------------------|

1. I have a say in decisions that affect my work.
2. I am asked to make suggestions about how to do my job better.
3. This organization values the ideas of workers at every level.
4. My opinions count in this organization.

*Note.* From “Communication Research Measures: A Sourcebook,” edited by R. B. Rubin, P. Palmgreen, and H. E. Sypher, 1994, The Guilford Press, NY, p. 263.



## Appendix F

### Compliance Measure

Never -----< 3 ----- 3-6 ----- 7-9 ----- 10-12 ----- 13-15 ----- 19-21 ----- 22-24  
                   months        months        months        months        months        months        months

Question asked of the ratee:

The last formal performance appraisal I received from my supervisor was how long ago?

Question asked of supervisors (rater):

The last performance appraisal I conducted was done how long ago?

*Note.* Created by the researcher for this study.



*Note.* From “Using Employee Attitudes and Perceptions to Monitor Supervisory Implementation of CSRA Performance Appraisal System,” by J. J. DeMarco and L. J. Nigro, 1983, *Public Personnel Management Journal*, 12, p. 47.

### Rater Beliefs on Performance Appraisals and Important Outcomes Measure

Strongly disagree      1 ----- 2 ----- 3 ----- 4 ----- 5      Strongly agree

- Note.* From “Predictors of Performance Appraisal Discomfort: A preliminary Examination,” by W. J. Smith, K. V. Harrington, and J. D. Houghton, 2000, *Public Personnel Management*, 29, p. 27.

## Appendix I

### Performance Appraisal Discomfort Measure

Please indicate the degree of discomfort you would feel in the following situations. Answer as honestly as possible what is true of you. Do not merely mark what "the right thing to say" seems.

No discomfort      1 ----- 2 ----- 3 ----- 4 ----- 5      High discomfort

1. Telling an employee that he/she must stop coming into work late.
2. Telling an employee that his/her work is only satisfactory, when you know that he/she expects an above satisfactory rating.
3. Talking to an employee about his/her performance on the job.
4. Conducting a formal performance appraisal interview with an ineffective employee.
5. Asking an employee if he/she has any comments about your rating of his/her performance.
6. Telling an employee who has problems in dealing with others that he/she should do something about it (take a course, read a book, etc.).
7. Telling a male subordinate that his performance must improve.
8. Responding to an employee who is upset over your rating of his/her performance.
9. Conducting a formal appraisal interview with an effective employee.
10. Conducting a formal appraisal interview with an effective employee.
11. Giving a satisfactory rating to an employee who has done a satisfactory (but not exceptional) job.
12. Having a subordinate disagree during an appraisal interview.

13. Being challenged to justify an evaluation in the middle of an appraisal interview.
14. Being accused of playing favorites in the rating of your staff.
15. Recommending that an employee be discharged.
16. Telling an employee that his/her performance can improve.
17. Warning an ineffective employee that unless performance improves, he/she will be discharged.
18. Telling a female employee that her performance must improve.
19. Encouraging an employee to evaluate his or her own performance.

*Note.* From “Predictors of Performance Appraisal Discomfort: A preliminary Examination,” by W. J. Smith, K. V. Harrington, and J. D. Houghton, 2000, *Public Personnel Management*, 29, p. 26.